



**MINUTES  
CITY COUNCIL MEETING  
November 20, 2018**

**CALL TO ORDER**

The meeting was called to order at 6:30 pm.

**Present:** Mayor: Marty Schneider; Council: Tim Hultmann, Jahn Dyvik, and Tom Skjaret

**Staff Present:** City Administrator: Scott Weske; Public Works Director: Sean Diercks; Fire Chief: James Van Eyll; City Attorney: John Thames; and City Clerk: Jeanette Moeller

**Absent:** Council: Michelle Jerde (with prior notice)

**PLEDGE OF ALLEGIANCE**

**MAYOR'S COMMENTS - LONG LAKE NEWS, MEETING REVIEW AND UPDATES**

Mayor Schneider offered the following comments and updates:

Mayor Schneider wished everyone a very happy, safe and enjoyable Thanksgiving holiday.

He noted that he and Council member Hultmann had attended long time firefighter Jim Cox's funeral at the Church of St. George the previous day. The ceremony was very moving and was attended by the Long Lake Fire Department as well as other area fire departments. Mayor Schneider extended heartfelt condolences to the Long Lake Fire Department and to the family.

The 2<sup>nd</sup> annual Christmas decorating contest is currently taking entries now through December 12, with awards to be presented for multiple display categories. Entry forms are available at City Hall.

The Chamber of Commerce will be hosting a tree lighting event at Nelson Lakeside Park on December 8 at 5:30 pm.

Mayor Schneider observed that the currently seated Council will meet on December 4 and December 18 before new members are seated.

**APPROVE AGENDA**

*A motion was made by Skjaret, seconded by Hultmann, to approve the Agenda as presented. Ayes: all.*

**CONSENT AGENDA**

The Consent Agenda consisted of:

- A. Approve Minutes of November 13, 2018 Long Lake Canvassing Board Meeting
- B. Approve Minutes of November 13, 2018 City Council Meeting
- C. Receive Minutes of October 16, 2018 Economic Development Authority Meeting
- D. Accept the Resignation of Firefighter Doug Johnson From the Long Lake Fire Department
- E. Accept the Resignation of Firefighter Mark Warden From the Long Lake Fire Department

*A motion was made by Dyvik, seconded by Skjaret, to approve the Consent Agenda as presented.  
Ayes: all.*

## **OPEN CORRESPONDENCE**

No one appeared to address the City Council during Open Correspondence.

Mayor Schneider invited Mayor-elect Charlie Miner to introduce himself to the community during the Open Correspondence period.

**Charlie Miner, Mayor-Elect** – Mr. Miner stated that it was a great honor to have been elected Mayor of the fine city he has called home for 30 years. He appreciated the support of all who elected him, and the support expressed by Council members. He took the time during his campaign to walk on doors and had learned a lot about the pulse of the City. People enjoy living in Long Lake, enjoy the services available, and had lots of great comments to share about the City's public safety departments. Comments he had received included concerns about the status of the former BP station site, the recent water bill rate increase, and traffic movement in town. Generally, people just love living in town. He indicated he looks forward to working with the Council and residents over the next two years, and thanked Mayor and Council for welcoming him to speak.

## **BUSINESS ITEMS**

### **Presentation: Recognition of Lori Goodsell**

Mayor Schneider noted that the agenda had originally included an item to recognize a local Boy Scout Troop; however, that recognition has been moved to the December 4 meeting.

Mayor Schneider noted that instead, he wanted to make a presentation recognizing current EDA member Lori Goodsell. He commented that it is important the City recognize people like Ms. Goodsell who work behind the scenes, contributing their time and efforts to make a difference both in a formal and informal way. He provided examples of Ms. Goodsell's service outside her EDA contributions, highlighting meetings she'd taken the initiative to set up with Springhill Golf Course administration regarding best practices for water quality; and with consultant Barry Petit to discuss defining a vision for Long Lake. She had also reached out to Mayor Schneider immediately after Officer Mathews had passed to specifically encourage Mayor and Council to work towards a dedication of the Brown Road bridge in his honor. As one final example, when Watertown Road was reconstructed, Ms. Goodsell had stood at the forefront advocating for safety and environmental improvements within the corridor.

Mayor Schneider presented Ms. Goodsell with a Certificate of Appreciation that read as follows:

This Certificate of Appreciation is presented to  
LORI GOODSSELL

in recognition of her service through volunteerism as an active and engaged member of the City's Economic Development Authority; her dedication to supporting Long Lake's future as a strong and vital community; and her advocacy for the environment. With gratitude, we honor her commitment to community through her words, good deeds and actions.

### **Wayzata Boulevard W Reconstruction Updates From Hennepin County – Paul Backer, Amanda Shotton**

Paul Backer, Hennepin County Senior Project Engineer, gave thanks to the Council for their patience over the first two years of construction. Crews are now within a few working days of wrapping up Phase 1 improvements from Willow Drive to Wolf Pointe Trail. Soon temporary traffic control

devices will be removed. He noted it was beautiful seeing all the new lights lit up along the lakeshore trail, reflecting that the trail represented an idea the City and County had worked on collaboratively to translate into a reality, and thanked the Council for their support during Phase 1.

Amanda Shotton, Hennepin County Construction Engineer, provided updates regarding Phase 2 work, highlighting that traffic has been shifted onto new pavement with a single lane moving in each direction. Within the end of the next week or so, the Phase 2 project area should be significantly cleaned up in time for winter. The barrier wall will be moved out, and orange barrels separating gravel surfaces from pavement areas will be shifted further back onto gravel to allow for more room for snow plowing. She and the contractor's staff will be driving through periodically to assure that barrels remain securely in place as snow builds around to pack them in. She clarified that Phase 2 is scheduled to reach completion for June 2019 consistent with the construction contract. Significant weather impacts were experienced during construction this year, but the contract time remains unchanged. It is possible construction may end or extend within a week or two of the contract date dependent upon weather conditions during the next construction season. Ms. Shotton clarified that at this time, Phase 3 from Willow Drive westward is not scheduled until 2021.

Mr. Backer noted that brand new striping was installed in Phase 2 project areas to provide good visibility for winter. Council member Dyvik thanked Backer for striping the shoulder fog line through the downtown area.

Mayor Schneider thanked Backer and Shotton, noting that in the last few days community members had reached out to him about cleanup of non-essential cones and barrels in the area. He appreciated their help in removing those in time for the holidays, and wished them a happy Thanksgiving.

### **Consideration of EDA Action Relative to Potential Offer for Purchase of Property at 1905 W Wayzata Boulevard**

Mayor Schneider recalled that this item was addressed in detail during the EDA meeting held prior to the Council meeting, at which the EDA held a closed session to discuss a potential offer for purchase of the subject property.

Council member Dyvik reviewed that during the October EDA meeting, the Board took action authorizing negotiation with intent to draft a purchase agreement with owners Croix Oil for purchase of the former BP station site. An initial offer was presented to Croix Oil, and after a few teleconferences, negotiations led to development of a purchase agreement draft that it was felt would likely be acceptable to the current property owner. The draft purchase agreement was presented to the EDA and discussed in the meeting prior to the Council meeting. The EDA did vote to approve and move forward with the purchase agreement following the closed session. There's a 90 day due diligence period included in the agreement, largely to allow for having a consultant review Phase 2 soil investigation information. Council member Dyvik noted that as he was knocking on doors campaigning, he too had heard feedback regarding the former BP station site, which has now become a negative landmark for the City. Assuming the purchase is completed, the City would have the ability to see the site developed in future consistent with a village character design.

City Attorney Thames advised that the EDA voted to approve execution of the purchase agreement as presented and to engage a consultant to review due diligence items. If the Council chooses to ratify the EDA's action, a similar motion would be warranted.

*A motion was made by Skjaret, seconded by Hultmann, to execute the purchase agreement as presented to the City Council with Croix Oil for the acquisition of the former BP station site, and to engage the services of a consultant to review due diligence data. Ayes: all.*

### **Presentation by the Long Lake Fire Relief Association for Fire Pension Benefit Level Change**

Mayor Schneider offered best wishes to Kelly Shaughnessy who is ill at this time and unable to attend the meeting.

Fire Chief Van Eyll indicated he had supplied background information in Council members' meeting packets, including an in depth analysis of the Fire Relief Association's pension benefit level from 1994 to the present. In 2017, the Relief Association worked with auditors and the City to come up with a plan to increase the pension benefit level at that time, and a benefit level increase of approximately 14.5% to \$4,350 per year of service was approved by the City Council. Members are partially vested at 10 years of service, and fully vested at 20 years of service. The Relief Association recently began working with auditors again to review projections for the pension and the special fund. The special fund is funded by state aid that comes to cities through taking a portion of insurance premiums from commercial properties to fund pensions for fire departments. The Relief Association board met and proposed a 12.5% increase from \$4,350 to \$4,900 per year of service for members.

Steve MacDonald, Abdo, Eick & Meyers, indicated that under the direction of Mr. Shaughnessy, he had prepared a summary of benefit projections based upon three scenarios – a stable market, a market with a 10% decline in 2018, and then a scenario based on the same rate of return as the past ten years – in order to determine whether a municipal contribution to fully fund the pension benefit level proposed would be triggered. The first two scenarios would maintain remaining overfunded at the 110% level, and the third scenario would still represent a relatively healthy funding formula. Ultimately the objective was to show that at the \$4,900 level, no required municipal contributions would likely be triggered, and the benefit would remain within the recommended range of the state maximum benefit level.

Mayor Schneider commented that it had been a wise move a year and a half ago to move the pension fund from investment in the private sector to the state board of investment, likely reducing the danger some other pension funds have run into over the years in other municipalities. He recalled that when the pension benefit level was discussed the previous year, he believed there may be certain deadline considerations and that may be why this item was being presented at this time. He noted that a joint meeting between contract cities to discuss the Fire Department was originally scheduled for October and had been delayed at Orono's request. As things currently stand, the City of Long Lake is fully liable for the entire pension fund obligation. While he would say the increase may make sense given the scenarios, as the Council had voted for a significant increase last year, he questioned whether this subject could be revisited following the joint meeting and/or by the new Council at a later date.

Mr. MacDonald explained that the Council would be taking action on the benefit level for the following year. He believed delaying the decision until after year end would result in the increase taking effect the year after that, essentially two years out.

Council members Hultmann and Dyvik both expressed that they would be comfortable with taking voting action at this time, rather than delaying consideration for the next Council.

Council member Skjaret observed that in his time on Council, he recalled voting on three or four increases over the years and historically the City had not come close in his recollection to having to make a municipal contribution to fund the pension benefit level. He noted that the state maximum benefit level established is \$6,300, and at the \$4,900 benefit level being considered, the City would

remain in the upper third portion of the state maximum benefit level range which is important to retain staffing. He would be supportive of taking voting action as well.

Council and staff discussed the projected number of members who are anticipated to qualify as fully vested for their full pension benefit, the expectation that some long vested firefighters are likely to retire within the next year, and whether the Relief Association has the option to approve a pension benefit level inconsistent with a City's approval.

*A motion was made by Schneider, seconded by Hultmann, to increase the pension benefit level for the Long Lake Fire Department Relief Association to \$4,900 effective in 2019. Ayes: all.*

### **Review End of October Financial Information**

Mayor Schneider commented that he had initiated this agenda item with Administrator Weske, and thanked Weske for his response to the request to provide updated financial information for the meeting. His thought was that going forward, as a new staff member who is also a CPA comes on board in December, she and Weske will be able to provide the Council with regular updates on the City's financial condition so that the Council is not making decisions without full knowledge of where the City stands financially. Mayor Schneider added that previously the Council had voted to shift management of investments over to RBC Capital Markets, the transition is underway, and his hope is that the transfer will be complete by the end of November. Jack Fay, RBC Capital Markets, will be coming to the Council's December 4 meeting to provide a rundown on the City's investments. He further noted he believed the City's financial responsibility to Hennepin County for its share of Wayzata Boulevard W improvements has reached about 85% payment completion. Mayor Schneider closed by thanking Weske again for preparing the requested financial update materials, and stated he will look forward to hearing from Mr. Fay on December 4.

### **Wayzata Boulevard W Reconstruction and Landscaping Project Updates**

Regarding Phase 1 project landscaping, Council member Dyvik provided background regarding the City's responsibility for administering the landscaping contract and recalled that previously the City had requested proposals for completing Phase 1 project landscaping based upon the landscaping plan prepared by SRF for Hennepin County. The Council had rejected all three proposals received at that time, in order to work with SRF to make updates to the landscaping project plan reflecting desired changes. The lowest responsible bidder of the three respondents was Hoffman & McNamara. The City had received a quote from SRF for completing plan revisions, updating the project manual, project management, and project contract award assistance totaling \$34,000. The Council did not approve the contract with SRF as proposed. Subsequently, Public Works Director Diercks scheduled a meeting with Hoffman & McNamara to discuss their experience with municipal and state aid projects. Mike McNamara shared his experience and knowledge with Diercks, Weske and Dyvik, and maintained that if his firm was awarded a project contract in December, they would still be able to begin installation in springtime.

Council member Dyvik explained that it was his understanding that because the project contract amount would fall below the required bidding threshold, the City has the ability to negotiate with a contractor they select. While he is supportive of working local, he emphasized the importance of the project being completed correctly. The Hoffman & McNamara firm had met the proposal specification requirements, had arrived at a contract amount consistent with SRF's estimate, and has certified traffic control flaggers for traffic management. Council member Dyvik will be recommending the Council move forward in working with Hoffman & McNamara to negotiate a landscaping contract. That said, Council member Dyvik had confirmed it will be necessary to work with SRF to update the project manual. Some planting adjustments will be able to be made "on the fly" as the work is underway. One question raised by Mr. McNamara was why the landscaping plan included trees being planted along the steep berm by the lakeshore area up along the sound wall

versus set back six feet from the road. In speaking with Kristy Morter, the setback for plantings in an area with a 30 miles per hour speed limit would be six feet. Council member Dyvik would recommend staking a six foot setback line for further evaluation of planting options along that steep area. Council member Dyvik also pointed out there is an additional area of the landscaping plan that cannot be executed as shown in the vicinity of Lakeside Wine & Spirits and the former Burger King site, as actual site conditions in the area of the culvert would prevent adding any landscaping features. Ultimately, in order to save the potential cost to update the full landscaping plan, Council member Dyvik would suggest that the plan remain as is with adjustments to be made during project work as warranted. He recommended SRF be requested to refresh the project manual right away, as the manual requires sign-off by MnDOT, and that process can take a few weeks. Once the project manual has been signed off on, he further recommended the City proceed negotiating with Hoffman & McNamara to contract with them in December in order for planting to begin in spring.

City Attorney Thames explained that the City had undertaken a bidding process for the landscaping project contract at its option, not because the City was required to do so. Once that process is initiated, the general rule of thumb is that it should be followed through. Doing so does not rob the Council of its ability to step back and reevaluate. Being in receipt of the proposal from SRF for project management and plan updates, it may be the Council now desires to proceed with the identical plan. The City does not have an obligation to competitively bid the project. He confirmed the Council has the authority to move forward with direct negotiation for the landscaping project; however, it should be made clear that the original bid process was closed.

Mayor and Council discussed negotiating with Hoffman & McNamara as well as reaching out to local Otten Bros.; how construction project delays may have resulted in the City incurring additional costs for the landscaping manual update; the provisions in the cooperative agreement regarding landscaping inspection and engineering requirements; and the need to confirm that the cooperative agreement doesn't include any provision that would require the landscaping project to be bid versus negotiated.

*A motion was made by Dyvik, seconded by Schneider, to have staff direct SRF to update the Phase 1 landscaping project manual at a cost not to exceed \$3,500. Ayes: all.*

Mayor Schneider encouraged staff and Council member Dyvik to work with whoever may be necessary towards the goal of including the landscaping contract as an action item on the December 4 Council meeting agenda.

Public Works Director Diercks provided the following updates regarding Wayzata Boulevard W reconstruction work and other Public Works related items:

Utility installation for the 1070 W Wayzata Boulevard subdivision is scheduled to be completed the following day. In 2019 the hydrant will have to be moved once construction of the new intersection is completed. The contractor working with utility installation is also anticipated to be working on site grading in preparation for future development.

Diercks confirmed that now that the frost has settled in deeper, he will be in touch with Eureka Construction to initiate grubbing work along Wurzer Trail.

The street sweeping service the City has worked with for years decided to shut down operations earlier this year and informed Public Works they would not be sweeping in Long Lake for fall as originally scheduled. Public Works staff are and will continue to work on leaf cleanup in areas across town.

Diercks confirmed the monument signs for Phase 1 had been unveiled that morning. Mr. Backer added that the contractor is planning to install ground mounted lights for the monument signs yet this year if weather and frost conditions permit doing so. Ms. Shotton noted that light poles in the Phase 2 area will be installed in spring, and the poles will be similar in design to those used in the Phase 1 area for uniformity.

### **Comprehensive Plan Task Force Update**

Mayor Schneider reported that the Comprehensive Plan Update Task Force group is intending to present the 2040 Comprehensive Plan update to the Council for adoption on December 4.

### **OTHER BUSINESS**

**Utility Rate Review** – Council member Hultmann asked Mayor Schneider the status of his utility rate review discussions with resident Mike Bash. Mayor Schneider replied that his hope is to present the utility review citizen group's findings at the December 4 meeting for action. Generally it has been found that the existing rate increase overall was reasonable; however, for the smaller under 5,000 gallon users, the minimum fixed sewer rate increase to an \$80.00 minimum assuming an 8,000 gallon minimum use impacted low volume users at a much higher percentage bill increase. He anticipates the recommendation will be to leave new usage rates as is while reducing the minimum fixed sewer charge. Beyond that, his suggestion in future would be to look deeper into the formula of factors used to determine utility rates through deeper study.

**Small Business Saturday, Shop Local** – Council member Hultmann encouraged shopping local on Small Business Saturday, and always.

**Carp Report** – Council member Dyvik indicated that the Long Lake Waters Association had shared carp study report results with him. The recommended threshold for a body of water for an acceptable level of carp is 89 pounds per acre. Carp study results show Long Lake to be at 570 pounds per acre. There are roughly 11,000 to 24,000 carp in the lake, versus what should be more like 2,000 to 3,000 in the lake. The LLWA is now hoping to conduct a biomass removal and continues to undertake fundraising efforts towards that goal. Anyone interested in donating to the LLWA can do so at their website, [www.llwa.org](http://www.llwa.org). The LLWA will be presenting their findings at an upcoming Council meeting, possibly on December 4.

**LMCC Liaison Update** – Last Thursday, Council member Skjaret had attended the fourth quarter LMCC meeting. He commented they had done a very good job of repairing the City's microphone system by facilitating refurbishing the equipment at a reasonable rate. The LMCC reports that the number of viewings of City meetings has grown online. Viewership of their local programming on YouTube has also continued to grow. One area of concern is that as people are veering away from cable subscribers, franchise fees are reducing and in the future the LMCC may experience a revenue issue as these lost fees impact their ability to provide the level of services that they do.

**December 4 Meeting** – Weske advised that the Truth in Taxation presentation will take place at the December 4, 2018 Council meeting. City Clerk Moeller noted that Council members may wish to prepare for that meeting to be a longer one, and listed items currently planned to be included on the agenda.

**Volunteer Appreciation Dinner** – Moeller provided an update on responses for the November 28 volunteer appreciation dinner, and sought confirmation from Council as to who present would also be available to attend.

**ADJOURN**

*A motion was made by Skjaret, seconded by Dyvik, to adjourn the meeting. Ayes: all. Mayor Schneider adjourned the meeting at 8:02 pm.*

Respectfully submitted,

Jeanette Moeller  
City Clerk